

FEDERAL BUREAU OF INVESTIGATION

**REGULATORY INSPECTION REPORT
(18 USC 2257)**

OF

**Silver Star
(NuTech Digital)
1025 N. Highland Ave.
Hollywood, CA 90038**

Date of Inspection: 09/11/2006

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(BEST COPY)

REGULATORY INSPECTIONS REPORT

Report of: SSA Charles R. Joyner,
Regulatory Inspections Program, CACU, VCS, CID
Report Date: September 15, 2006
File Number: [REDACTED] (F) Silver Star

PRODUCER INFORMATION

An inspection was conducted of NuTech Digital pursuant to 18 USC 2257 and 28 Code of Federal Regulations Part 75. Silver Star was the producer of the videos reviewed, but it appears as if NuTech Digital now owns the rights to Silver Star videos. The review of performer identification information and the record keeping system of NuTech Digital was only of films produced by Silver Star. The custodian of records for Silver Star was listed as 9500 Gloria Avenue, Van Nuys, CA. This was also the business address of NuTech Digital. [REDACTED] owner of NuTech Digital, advised NuTech Digital converted the films from VHS format to DVD [REDACTED] stated his attorney had advised NuTech Digital is not a producer based on the definition under 18 USC 2257, but [REDACTED] agreed to present the records he had available.

The inspection was conducted at Iron Mountain, 1025 N. Highland Ave., Hollywood, CA on September 11, 2006. Iron Mountain is a storage facility specializing in products from the film industry. [REDACTED] General Manager for NuTech Digital, cell phone number [REDACTED], provided the pertinent 2257 Silver Star documents and was present during the inspection. On September 14, 2006, [REDACTED] telephone number [REDACTED], provided additional 2257 information on the videos reviewed by inspectors.

[REDACTED], later identified as [REDACTED] was listed as the custodian of records for Silver Star. It was reported Elimelech was currently in Israel, has outstanding warrants, and would not return to the U.S.

INSPECTION SUMMARY

DVDs produced by Silver Star were ordered from the internet. Contract inspectors reviewed nine DVDs and identified all performers by stage name or by still photographs taken from the video. All videos reviewed contained the required 2257 information in the proper format. A total of 41 performers were identified as appearing in the nine DVDs. Prior to the inspection, contract inspectors printed several still photographs of each performer's face from different camera angles. During the inspection, the still photographs were compared with the performer identification on record to ensure the identification was, in fact, of that performer.

After the inspection was completed, it was determined Silver Star (NuTech Digital) had several 2257 violations. These included: failure to maintain 2257 records at the place of business; identification photographs of six performers were of such poor quality they were not identifiable; no photo identification records were available for 17 performers; and records were not kept as to be retrievable by all names. Details of these violations are listed in the findings section of this report. Copies of available pertinent records were made by the inspection team.





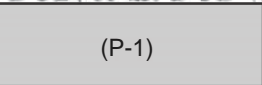
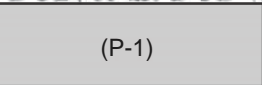
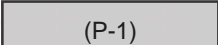
During this inspection, all provisions of 18 USC 2257 guidelines were followed by the inspection team.

FINDINGS

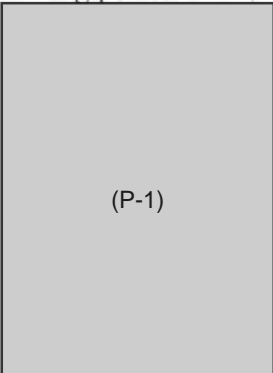
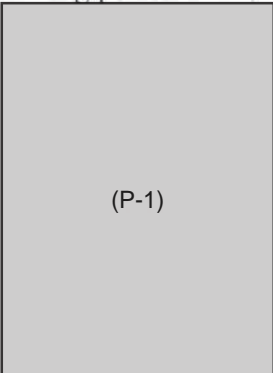
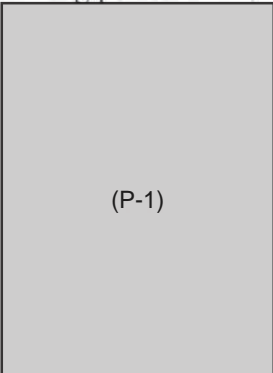
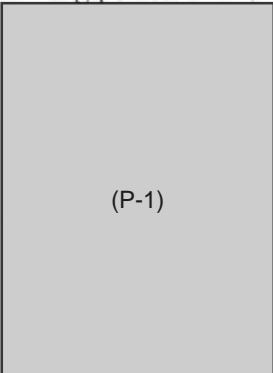
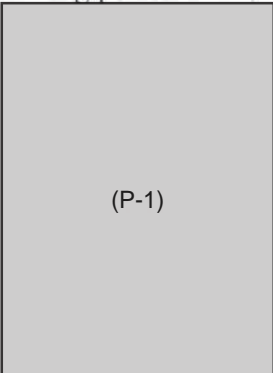
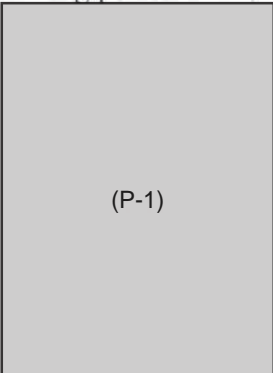
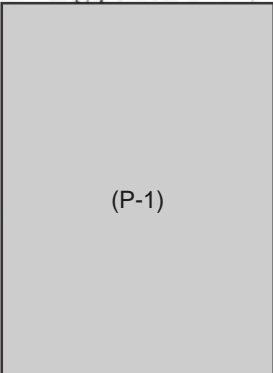
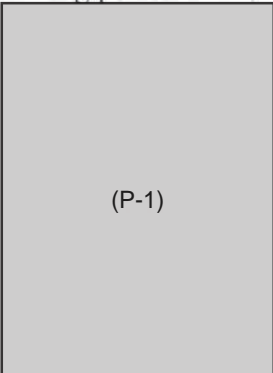
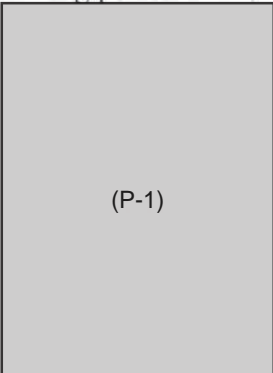
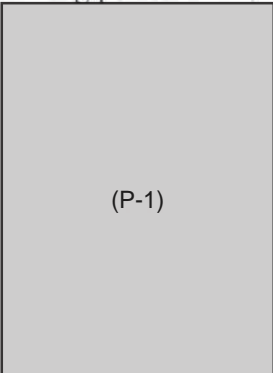
1. NuTech Digital failed to maintain records at its place of business.

2257 (c) – “Any person to whom subsection (a) applies shall maintain the records required by this section at his business premises...”

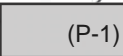

28 CFR Part 75.4 – “Any producer required by this part to maintain records shall make such records available at the producer’s place of business.”

2. For the video “Sex, Lies, and the President” – **(Tab 3a)**
 - a. Photo identification is not recognizable for the following performers:
 - i.  (P-1)
 - ii. 
 - iii. 
 - iv. 
 - b. No DOB, or the DOB was not legible for the following performers:
 - i.  (P-1)
 - ii. 
 - c. No photo identification was provided for  (P-1)

(28 CFR Part 75.2) “...the records shall also include a legible copy of the identification document examined and, if that document does not contain a recent and recognizable picture of the performer, a legible copy of a picture identification card.”

3. For the video “Boogie Now” –
 - a. No photo identification, DOB, or record was provided for the following performers:
 - i.  (P-1)
 - ii. 
 - iii. 
 - iv. 
 - v. 
 - vi. 
 - vii. 
 - viii. 
 - ix. 
 - x. 

(28 CFR Part 75.2) “...the records shall also include a legible copy of the identification document examined and, if that document does not contain a recent and recognizable picture of the performer, a legible copy of a picture identification card.”

4. For the video “Price of an Education” – **(Tab 3b)**
 - a. Identification is not identifiable for  (P-1)
 - b. DOB for  (P-1) is not legible.

(28 CFR Part 75.2) "...the records shall also include a legible copy of the identification document examined and, if that document does not contain a recent and recognizable picture of the performer, a legible copy of a picture identification card."

5. For the video "It's a Wonderful Life" – **(Tab 3c)**
- a. Identification for [REDACTED] (P-1) is not identifiable
 - b. No photo identification was provided for [REDACTED] (P-1) (business card only)
 - c. No photo identification was provided for the following performers:
 - i. [REDACTED]
 - ii. [REDACTED]
 - iii. [REDACTED]
 - iv. [REDACTED] (P-1)
 - v. [REDACTED]
 - vi. [REDACTED]

(28 CFR Part 75.2) "...the records shall also include a legible copy of the identification document examined and, if that document does not contain a recent and recognizable picture of the performer, a legible copy of a picture identification card."

6. Records were not kept as to be retrievable by all names.

(28 CFR Part 75.3) "Records required to be maintained under this part shall be categorized and retrievable to: All name(s) of each performer, including any alias, maiden name, nickname, stage name or professional name of the performer; and including the title, number, or other similar identifier..."

"Only one copy of each picture of a performer's picture identification card and identification document must be kept as long as each copy is categorized and retrievable according to any name, real or assumed, used by each performer, and according to any title or other identifier of the matter."

Producer Response to Findings:

[REDACTED] President and CEO of NuTech Digital, provided additional 2257 information for "Sex, Lies, and the President" and "Price of an Education." These additional records included photo identification for [REDACTED] (P-1) (listed under 2.a.i. above). **(Tab 3d)**
All other issues remained unresolved.

(28 CFR Part 75.2) "...the records shall also include a legible copy of the identification document examined and, if that document does not contain a recent and recognizable picture of the performer, a legible copy of a picture identification card."

5. For the video "It's a Wonderful Life" –
- a. Identification for [REDACTED] (P-1), is not identifiable
 - b. No photo identification was provided for [REDACTED] (P-1) (business card only)
 - c. No photo identification was provided for the following performers:
 - i. [REDACTED]
 - ii. [REDACTED]
 - iii. [REDACTED]
 - iv. [REDACTED] (P-1)
 - v. [REDACTED]
 - vi. [REDACTED]

(28 CFR Part 75.2) "...the records shall also include a legible copy of the identification document examined and, if that document does not contain a recent and recognizable picture of the performer, a legible copy of a picture identification card."

6. Records were not kept as to be retrievable by all names.

(28 CFR Part 75.3) "Records required to be maintained under this part shall be categorized and retrievable to: All name(s) of each performer, including any alias, maiden name, nickname, stage name or professional name of the performer; and including the title, number, or other similar identifier..."

"Only one copy of each picture of a performer's picture identification card and identification document must be kept as long as each copy is categorized and retrievable according to any name, real or assumed, used by each performer, and according to any title or other identifier of the matter."

Producer Response to Findings:

[REDACTED] President and CEO of NuTech Digital, provided additional 2257 information for "Sex, Lies, and the President" and "Price of an Education." These additional records included photo identification for [REDACTED] (P-1) (listed under 2.a.i. above). All other issues remained unresolved.

The following Pre-Inspection Procedures were followed:

1. Silver Star was randomly selected from a data base provided by FBIHQ of known producers of adult products using a computerized random selection program.
2. A sample of Silver Star DVDs was ordered and the method of purchase was documented and maintained in a 1A envelope with the case file.
3. All products ordered were reviewed for 18 USC 2257 compliance and a pre-inspection analysis was conducted for each of the DVDs ordered.
4. All performers depicted in the videos engaging in sexually explicit conduct were identified by either a stage name or by still photographs of their likeness taken from the video.

INSPECTION PROCEDURES

The following Inspection Procedures were followed:

1. Inspection began at approximately 9:50 a.m. during regular business hours.
2. SSA Charles Joyner, the Lead Inspector, immediately identified himself and the purpose of the inspection upon meeting Joe Giarmo at Iron Mountain storage facility.
3. SSA Joyner explained the nature and purpose of the inspection, including the limited nature of the records inspection.
4. Digital photographs were taken of the business and the vault used to store 2257 information prior to the inspection. A disc containing a total of eight photographs were placed in a 1A envelope and maintained with the case file.
5. Inspectors reviewed the 18 USC 2257 records maintained by NuTech Digital for the four videos reviewed, to include the performers appearing therein.
6. Copies were made of the selected performers' identifications indicating date of birth.
7. The inspection concluded at approximately 11:10 a.m.

**RECORDS
VERIFICATION
SPREADSHEET**

FBI_000401

SUBJECT TO PROTECTIVE ORDER

FD-302s

FD-302 (Rev. 10-6-95)

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FEDERAL BUREAU OF INVESTIGATION

Date of transcription 09/07/2006

Inspectors arrived at 7900 Gloria Ave., Van Nuys, CA to conduct a 2257 inspection of the Custodian of Records for Silver Star. "NuTech Digital" was painted on the building at 7900 Gloria Ave. NuTech Digital also appeared in the Silver Star videos which were reviewed by the inspectors.

Upon arrival at approximately 9:20 a.m., SA Joyner spoke to [REDACTED], telephone number (818)989-2000. [REDACTED] advised he is an employee of Critical X, a producer of adult videos. [REDACTED] further advised Critical X had just purchased the building from NuTech Digital approximately two to three weeks earlier and they were in the process of moving in. [REDACTED] advised [REDACTED] was the owner of NuTech Digital. [REDACTED] stated he did not have a current address for NuTech Digital or [REDACTED]. [REDACTED] agreed to check with the owners of Critical X when they arrived to determine if they know NuTech Digital's address.

Another Custodian of Records address for Silver Star was listed as 7833 Noble Ave., Van Nuys, California. Inspectors arrived at this address at approximately 10:15 a.m. A sign at 7833 Noble Ave. listed the business name as H.W.Y. Entertainment. SA Joyner spoke to [REDACTED], telephone number (818)400-9210, who identified himself as the owner of H.W.Y. Entertainment. [REDACTED] advised the custodian of records for Silver Star, [REDACTED], is now in Israel. GAL opined that [REDACTED] was currently in Israel due to outstanding warrants in the U.S. GAL said that [REDACTED] owed GAL money because [REDACTED] had paid money for "Boogie Now" but never received the movie rights. [REDACTED] also advised the owner of NuTech Digital is Lee KASPER. [REDACTED] stated NuTech Digital had been at the 7833 Noble Ave. address several years earlier, but relocated to 7900 Gloria Ave.

Investigation at Van Nuys U.S. Postal Service indicated the new address for NuTech Digital is P.O. Box 26060678, Encino, CA. Subsequent investigation at an Encino U.S. Postal Service location revealed the signor for the P.O. Box is [REDACTED]. Others authorized to access the P.O. box are MICH [REDACTED] and [REDACTED]. [REDACTED] CDL number is P0765089. The physical address used by [REDACTED] to open the mailbox is the 7900 Gloria Ave. address.

Investigation on 08/31/2006 at Los Angeles, CAFile # (F) [REDACTED] SILVER STAR - 7 Date dictated 09/06/2006by Charles R. Joyner *[Signature]*
SUBJECT TO PROTECTIVE ORDER FBI_000410

FD-302a (Rev. 10-6-95)

(F)

-SILVER STAR

Continuation of FD-302 of

, On 08/31/2006, Page 2

At approximately 11:40 a.m., SA Joyner received a call from [REDACTED], who was given SA Joyner's cell phone number from an employee of Critical X. [REDACTED] cell telephone number [REDACTED] initially stated he didn't have the 2257 records for Silver Star. When advised by SA Joyner that the Silver Star videos had the NuTech Digital logo and listed 9500 Gloria Avenue as the address for the Custodian of Records, [REDACTED] said he had just moved from the address and he didn't know where the records were kept. [REDACTED] said he would need to check with his web designer to determine why the 9500 Gloria Ave, address was listed as the Custodian of Records address. [REDACTED] then indicated the 2257 records were at his house. When SA Joyner suggested the 2257 inspection take place at [REDACTED] residence, [REDACTED] said the records were probably in a warehouse. SA Joyner advised [REDACTED] that Silver Star was already in violation of 18 U.S.C. 2257 as the inspectors had not been granted access to those records for the videos reviewed. [REDACTED] said he would check into the matter and call SA Joyner back. SA Joyner advised KASPER it was important that SA Joyner be notified of the location of the records and given access to them so an inspection could be conducted. Failure to do so is a violation of 18 U.S.C. 2257. [REDACTED] said he was in New York, but would call SA Joyner back that day.

Less than an hour later, [REDACTED] called SA Joyner and also had [REDACTED] on the line. [REDACTED] described [REDACTED] as his "right hand man." [REDACTED] and [REDACTED] advised NuTech Digital had the licensing rights to the Silver Star movies, but NuTech Digital was not the producer and, therefore, they were not required to maintain 2257 information. KASPER also said he was no longer in the adult video business. SA Joyner advised [REDACTED] and [REDACTED] that NuTech Digital appeared in the Silver Star videos and the Custodian of Records address in the videos is identical to the former address of NuTech Digital. Based on this evidence, it is apparent NuTech Digital is, in fact, a primary producer and responsible for maintaining 2257 information.

Upon conferring with FBIHQ SSA James Wilson, SA Joyner left a message for KASPER advising he should call SA Joyner immediately and make the 2257 records accessible.

Additional investigation was conducted by researching NuTech Digital on the internet. It was discovered NuTech Digital is owned by [REDACTED]. It was also determined NuTech Digital appears to specialize in Hentai animation (Japanese style animation with animated characters engaging in sexual activity). NuTech

SUBJECT TO PROTECTIVE ORDER

FBI_000411

FD-302a (Rev. 10-6-95)

(F)

SILVER STAR

Continuation of FD-302 of _____, On 08/31/2006, Page 3

Digital also is involved in on-line poker, the sale of videos (both for general audiences and X-rated), and continues to sale the four videos reviewed by the inspectors and produced by Silver Star.

FD-302 (Rev. 10-6-95)

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FEDERAL BUREAU OF INVESTIGATION

Date of transcription 09/08/2006

SA Joyner placed a telephone call to [REDACTED], owner of NuTech Digital. SA Joyner asked [REDACTED] if he were going to make the 2257 records available for Silver Star movies reviewed. [REDACTED] stated he didn't believe he was required to present the 2257 records as he was not the producer of the Silver Star films. SA Joyner reiterated that the NuTech Digital logo appeared in the films and the NuTech Digital address was listed as the address for the Custodian of Records. SA Joyner further advised [REDACTED] had the option of refusing to allow an inspection of 2257 records for the specific movies and SA Joyner would then submit a report to FBIHQ advising as such. SA Joyner further advised it would then be a matter of DOJ attorney's and [REDACTED] attorney to determine if he is, in fact, considered a producer of the videos.

[REDACTED] stated [REDACTED] had called SA Joyner after our initial phone conversation on 08/31/2006 to work out the necessary details of the inspection. When SA Joyner advised [REDACTED] that SA Joyner had not received a follow-up call from GIARMO, [REDACTED] advised he would have GIARMO call within the hour.

Shortly thereafter, SA Joyner received a call from [REDACTED] was very cooperative and advised he would meet with SA Joyner and the inspectors immediately to present the required 2257 records. [REDACTED] advised the records were maintained in a vault located at Iron Mountain storage facility. It was determined the 2257 inspection would take place at this location on Monday, 09/11/2006, at 10:00 a.m.

Investigation on 09/08/2006 at Los Angeles, CA (telephonically)
File # [REDACTED] (F) SILVER STAR - 8 Date dictated 09/08/2006
by Charles R. Joyner
SUBJECT TO PROTECTIVE ORDER FBI_000413

FD-302 (Rev. 10-6-95)

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FEDERAL BUREAU OF INVESTIGATION

Date of transcription 09/21/2006

██████████ contacted SA Joyner telephonically and advised he had additional 2257 information to provide. SA Joyner agreed to meet ██████████ at Sepulveda Blvd. and Ventura Blvd. Upon arriving at approximately 11:30 a.m. at a Mobil Station on the corner of Sepulveda and Ventura Blvd., ██████████ provided a packet containing photocopies of performer identification. ██████████ advised he had attempted to get 2257 material for the movie "Boogie Now" but was unsuccessful.

Investigation on 09/14/2006 at Los Angeles, CAFile # ██████████ (F) - SILVER STAR - 9 Date dictated 09/21/2006by Charles R. Joyner *CRJ***SUBJECT TO PROTECTIVE ORDER****FBI_000414**

PHOTO LOG/PHOTOS

Wilton Coolpix 995

CAMERA

TYPE OF FILM

Silvers for AN
Entertainment

REMARKS

records kept in storage

(F)

ARER/ASSISTANTS

[illegible]

SUBJECT TO PROTECTIVE ORDER

FBI_000417

INSPECTION COMPLIANCE DETERMINATION

Silver Star (NuTech Digital) was found **NOT** to be in compliance with 18 USC 2257 and 28 CFR 75.